

REMARKS

Claims 3-4 and 27-28 are pending in the present application. By this response, claim 3 is amended. These amendments are supported by the application as filed on page 20, lines 6-17. Reconsideration of the claims is respectfully requested.

I. 35 U.S.C. § 102, Anticipation; Claims 3-4

Claims 3-4 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Tognazzini, Digital Delivery of Receipts, U.S. Patent No. 5,739,512, April 14, 1998 (hereinafter "Tognazzini"). This rejection is respectfully traversed.

The rejection states:

A. As per independent claim 3: Tognazzini teaches a method for maintaining inventory records of products being sold (see Tognazzini, col.2, lines 62-65 wherein producing a report is producing an inventory record), comprising:

- providing inventory records corresponding to products for sale ("to produce a report" is similar to "produce an inventory record", see Tognazzini, col.2, lines 64-65);
- processing a purchase transaction for a product (i.e., on computer/cash-register or "deliver" a product, see Tognazzini, Fig.4);
- generating an electronic receipt comprising data concerning the purchase transaction (see Tognazzini, Fig.1, ref.100; and Fig.8, ref. 850);
- storing said electronic receipt on a removable storage medium (i.e., a computer's floppy disk, see Tognazzini, Fig.7, ref. 730)
- at a different time (i.e., reviewing one second later), reading said electronic receipt from said removable storage medium sale (see Tognazzini, col2, lines 62-65);
- validating said electronic receipt sale (see Tognazzini, col.5, lines 1-10); and in response to validating said electronic receipt: providing an indication to proceed with a delivery of said product sale (this action is inherent in Tognazzini); and updating an inventory record corresponding to said first product to reflect the delivery of said first product (the claimed phrase "the delivery of said first product" is reasonably interpreted as "a transaction is executed", see Tognazzini col. 2, lines 62-65).¹

In addition to the formal rejection, the office action notes:

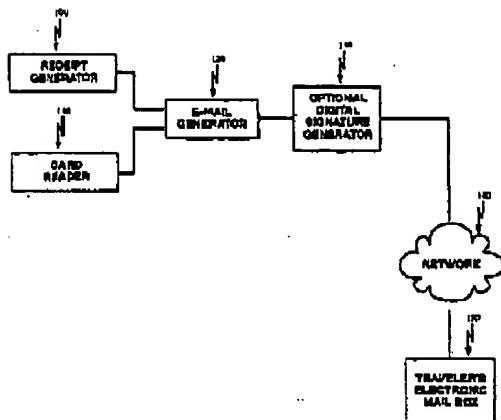
The applicants argue that: the claims recite "providing inventory records corresponding to a plurality of products for sale" (4/08/2003). Although the applicants "believe" that Tognazzini's "inventory records" corresponding to the sales transactions, not to the product themselves, the examiner's position is

¹ Office Action dated August 29, 2005, pages 3-4.

that it also means both "physical product" and transactions because they are delivered to the buyer's possession after all; saying "sale transactions" is similar to "sold product" because they are no longer being owned by the seller — the ownership of a product has been transferred. The applicants also argue that Tognazzini does not disclose updating the records when the product delivered; however, this claimed feature is inherently existed with the software that operating on the "cash-register" even Tognazzini does not disclose because when talking about "inventory records" one with ordinary skill in the art understands that means "currently available product".²

For convenience, the cited excerpts and drawings from Tognazzini are reproduced below:

The invention is also directed to apparatus for processing electronic copies of receipts including a reader for reading a storage medium containing the copies, and a computer configured to process information contained in the copies to produce a report summarizing at least some of the receipts.³



← Figure 1

Figure 4→

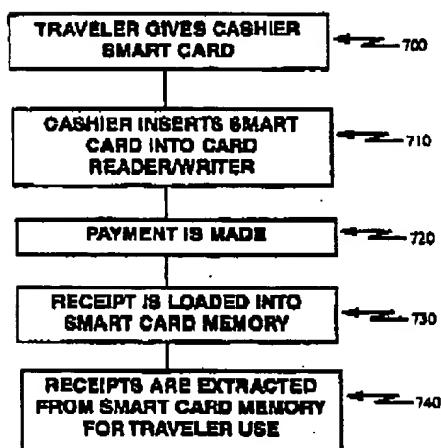
TO: customer@sol.com
 CC: expensereporter@sol.com
 SUBJECT: RECEIPT
 VENDOR NAME:
 VENDOR ADDRESS:
 VENDOR TAX ID:
 DATE:
 TIME:
 RECEIPT NO.:
 NUMBER IN PARTY:
 BILL AMOUNT:
 TAX AMOUNT:
 TOTAL AMOUNT PAID:
 HOW PAID:
 DIGITAL SIGNATURE OF VENDOR:
 DIGITAL SIGNATURE OF CUSTOMER:

FIG. 1 is a function illustration of a first form of implementing the invention. In a commercial transaction, once payment has been made, a receipt is generated. The information contained in the receipt typically varies from vendor to vendor as does the format of the information. Generation of a receipt is represented at 100. Note that payment can occur by any known means such as credit cards, debit cards, cash, check, electronic transfer or the like. A card reader is symbolically illustrated at 110. The card reader would scan a card of some type having stored thereon an electronic mail address for the delivery of receipts. The card itself could be a traditional credit card, a smart card, a magnetically encoded driver's license or any other computer readable card medium, the information on which has been supplemented to include an E-mail address for delivery of electronic receipts. An E-mail generator 120 assembles the information from the receipt generator and the card reader into an E-mail message suitable for transmission across a network 140. Network

² Office action of August 29, 2005, page 2

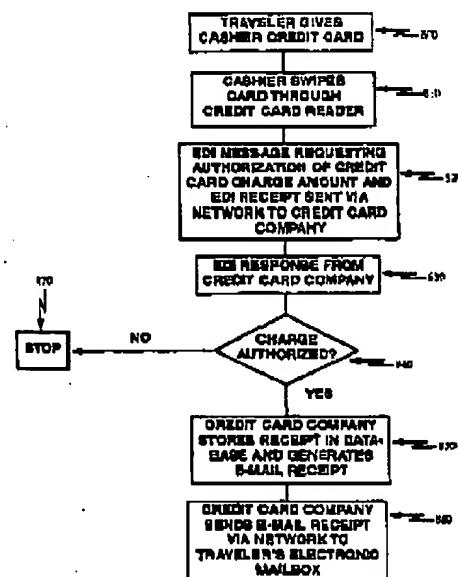
³ Tognazzini, column 2, lines 61-65

140 can be a proprietary network or an open network such as the Internet. Item 130 indicates that optional digital signatures are generated and applied to the receipt information. Typically, this could be a digital signature of a vendor, by which the authenticity of the receipt would be assured for purposes of official agencies of the government as well as for the company for whom the traveler works. A digital signature of the customer may be applied as well to insure a credit card company that the receipt is authentic. The application of digital signatures as a mechanism for insuring authenticity of a document and that the document has not been changed using public key encryption techniques is well known in the art.



← Figure 7

Figure 8 →



A prior art reference anticipates the claimed invention under 35 U.S.C. § 102 only if every element of a claimed invention is identically shown in that single reference, arranged as they are in the claims. *In re Bond*, 910 F.2d 831, 832, 15 U.S.P.Q.2d 1566, 1567 (Fed. Cir. 1990). All limitations of the claimed invention must be considered when determining patentability. *In re Lowry*, 32 F.3d 1579, 1582, 32 U.S.P.Q.2d 1031, 1034 (Fed. Cir. 1994). Anticipation focuses on whether a claim reads on the product or process a prior art reference discloses, not on what the reference broadly teaches. *Kalman v. Kimberly-Clark Corp.*, 713 F.2d 760, 218 U.S.P.Q. 781 (Fed. Cir. 1983).

Representative claim 3 recites:

3. (Currently amended) A method for maintaining inventory records of products being sold, the method comprising the computer-implemented steps of:

providing inventory records corresponding to a plurality of products for sale;
processing a purchase transaction for a first product of said plurality of products;
generating an electronic receipt comprising data concerning the purchase transaction;
using a second read/write device that is different from said first read/write device to read said electronic receipt from said removable storage medium;
validating said electronic receipt; and
in response to validating said electronic receipt,
providing an indication to proceed with a delivery of said first product and
updating an inventory record corresponding to said first product to reflect the delivery of said first product.

Tognazzini does not anticipate the claimed invention because Tognazzini does not "identically" show the claimed features "*arranged as they are in the claims*". More specifically, Tognazzini does not show the following features: (a) providing inventory records, (b) in response to validating said electronic receipt ... updating an inventory record, and (c) the specific context and order of steps is not shown in Tognazzini. These will be discussed separately.

Providing inventory records

Claim 3 recites, as one step, "*providing inventory records corresponding to a plurality of products for sale*". In the Response to Office Action filed on 04/08/03, Applicants asserted that "*in equating the expense report of Tognazzini with the claimed inventory, an "inventory" is being defined in much broader terms than one of ordinary skill in the art would do. ... [The claimed] inventory concerns physical items that are for sale*" In reply, the current rejection states that "*the examiner's position is that it also means both "physical product" and transactions because they are delivered to the buyer's possession after all*".⁴ However, the Merriam Webster Online Dictionary (www.m-w.com) provides the following possible definitions of an inventory:

- 1 a : an itemized list of current assets: as (1) : a catalog of the property of an individual or estate (2) : a list of goods on hand b : a survey of natural resources c : a list of traits, preferences, attitudes, interests, or abilities used to evaluate personal characteristics or skills
- 2 : the quantity of goods or materials on hand : stock
- 3 : the act or process of taking an inventory

⁴ Office Action of 08/29/2005, page 2, middle of page

It is noted that none of these definitions of an inventory would fit the interpretation that a receipt for a transaction is the same as an inventory record. Rather, this interpretation requires that one ignore the clear meaning of the words. One of ordinary skill in the art would simply not equate a receipt for a sales transaction with an inventory record. Further, the fact that the receipt is delivered to the buyer's possession has nothing to do with the interpretation of this term and its mention is irrelevant.

In response to validating said electronic receipt ... updating an inventory record

Applicants note a number of problems with reading Tognazzini on this feature of claim 3. First, Tognazzini does not show updating inventory records as that feature would be understood by one of ordinary skill in the art. Tognazzini mentions sales and receipts, but does not concern itself with tracking the inventory affected by the sales. This patent is primarily concerned with keeping track of receipts for a customer, while inventory is a concern of the store that sells items. The rejection, in its attempt to read the claim broadly, has obliterated the commonly understood meaning of the words.

Secondly, the Office Action asserts that this feature is inherent in Tognazzini. Applicants respond that while tying inventory records to information gathered at the register is common, claim 3 recites a specific sequence of steps that determine when the updating is performed – at delivery, which is physically separated from purchase. This separation of sales and delivery, and the delayed updating of inventory records until delivery, is clearly not inherent in Tognazzini. Tognazzini does not address the claimed situation and has no reason to do so. This patent is primarily concerned with tracking receipts, not with tracking inventory.

Finally, in the Response to Applicant's Arguments, there are two inconsistent interpretations of the claimed "inventory records". In the last paragraph on page 2 of the Office Action of 8/29/05, the rejection equates the claimed inventory records with "transactions", specifically the sales transactions covered by the receipts. In the next sentence, the rejections notes that "*when talking about "inventory records" one with ordinary skill in the art understands that means "currently available product"*". It is submitted that the Examiner can choose an appropriate interpretation of any terms, but the interpretation should at least remain consistent throughout the rejection. Switching interpretations at one's convenience causes confusion and does not move the case forward.

One further point can be made about the last interpretation of "inventory records". The definitions in Merriam Webster show that "inventory" can be applied to either the goods themselves or to a listing of those goods. However, Applicants have recited "inventory records", a specific reference to the meaning as a listing of the goods. While these meanings are similar, it would be understood by one of ordinary skill in the art that one challenge facing a company is ensuring that the inventory records accurately reflect the actual inventory. The invention recited in claim 3 is directed to ensuring that, in the specific situation where the sales of a product and the delivery of the product are separated, the status of the inventory records accurately reflects the status of the actual inventory. The differences between the inventory and the inventory records should not be ignored.

Specific context and order of steps

Claim 3 recites specific steps that cause an inventory record to be updated at a specific time in the sales/delivery process. In contrast, the rejection takes bits and pieces of Tognazzini, applies very broad and inconsistent interpretations to those bits and pieces, and presents a result that does nothing like updating an inventory record at the time of delivery of the product. Figures 7 and 8 are the two excerpts from this patent that show specific steps being performed. Of these, only Figure 7 shows a receipt being written to a removable storage medium and then extracted for further use. However, as the depicted flowchart notes, the receipt is being extracted "for traveler use"; it is not being provided in order to update an inventory record, which is specifically under the control of the seller. Figure 8 also shows the creation of an electronic receipt, but this receipt is sent via email, not stored on a removable media. Of the two versions of the receipt, one is shown as stored by the credit card company and the other is sent to the traveler. Neither the credit card company nor the user are capable of updating the inventory record of the item(s) sold; one of ordinary skill in the art would recognize that neither the credit card company nor the traveler would have control of these records.

Applicants continue to maintain that the cited art does not anticipate the invention recited in claim 3; this claim should be allowed. Further, since claim 4 depends from claim 3, the same distinctions apply between Tognazzini and the invention recited in claim 3 for claim 4. Therefore, the rejection of claims 3-4 under 35 U.S.C. § 102(b) has been overcome.

Furthermore, Tognazzini does not teach, suggest, or give any incentive to make the needed changes to reach the presently claimed invention. Tognazzini does not update the

seller's inventory records, nor does it disclose a course of action that mimics updating the inventory records. Tognazzini does not teach anything related to inventory and does not provide any suggestion to do so. Absent a clear suggestion to implement inventory control in Tognazzini, one of ordinary skill in the art would not be led to modify Tognazzini to reach the present invention when the reference is examined as a whole. Absent some teaching, suggestion, or incentive to modify Tognazzini in this manner, the presently claimed invention can be reached only through an improper use of hindsight using the applicants' disclosure as a template to make the necessary changes to reach the claimed invention.

II. 35 U.S.C. § 103, Obviousness: Claims 27-28

The examiner has rejected claims 27-28 under 35 U.S.C. § 103(a) as being unpatentable over Tognazzini. This rejection is respectfully traversed.

The examiner states on pages 4-5 of the Office Action dated August 29, 2005 that:

Tognazzini further teaches a computer program product in a computer readable medium (see Tognazzini, col. 3, lines 39-45) for processing an electronic receipt (see Tognazzini, col. 2, lines 17-67).

Tognazzini does not expressly disclose about a computer program product for maintaining inventory records comprising instructions that perform above steps of claims 3-4.

However, the examiner's position is Tognazzini uses computer instructions to direct the computer to perform all of the actions/steps identified supra with the system disclosed in Figs. 1-2, and as specifically claimed in claims 27 and 28.

It would have been obvious for one of ordinary skill in the art at the time of invention to implement Tognazzini's idea to expressly disclose a computer program product such as a floppy disk, a smart card, a hard drive containing operating instructions, for operating Tognazzini's system as shown in Figs. 1-2, verifying a receipt, and maintaining inventory records comprising instructions that perform above-analyzed steps of claims 3-4 because it is widely recognized the advantage of automation manual steps for repetition uses on a computer-executable portable medium.⁵

Representative claim 27 recites:

27. (Previously presented) A computer program product in a computer-readable medium for maintaining inventory records for a plurality of items for sale, the computer program product comprising:
first instructions for processing a purchase transaction;

⁵ Office Action dated August 29, 2005, pages 4-5.

second instructions for generating an electronic receipt comprising data concerning the purchase transaction;

third instructions for storing said electronic receipt on a removable storage medium;

fourth instructions for reading said electronic receipt on the removable storage medium;

fifth instructions for validating said electronic receipt; and

sixth instructions for providing an indication to proceed with a delivery of said first item in response to validating said electronic receipt,

seventh instructions for updating an inventory record corresponding to said first item in response to validating the electronic receipt.

If the Patent Office does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of a patent. *In re Oetiker*, 977 F.2d 1443, 1445, 24 U.S.P.Q.2d 1443, 1444 (Fed. Cir. 1992); *In re Grabiak*, 769 F.2d 729, 733, 226 U.S.P.Q. 870, 873 (Fed. Cir. 1985). A *prima facie* case of obviousness is established when the teachings of the prior art itself suggest the claimed subject matter to a person of ordinary skill in the art. *In re Bell*, 991 F.2d 781, 783, 26 U.S.P.Q.2d 1529, 1531 (Fed. Cir. 1993). The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990).

Tognazzini does not show the recited “*seventh instructions for updating an inventory record corresponding to said first item in response to validating the electronic receipt*”.

Tognazzini mentions three entities that may receive copies of the generated receipt: (1) the purchaser, who can receive the receipt on a removable card, such as a smart card, (2) a credit card company or third party that validates payment, and (3) the seller, who retains a copy of the receipt. Of these three, the patent notes that the user can produce a report of receipts, such as for an expense account. However, such a report is not the same as updating an inventory record for the first item. Additionally, even if the user did update a personal inventory, Tognazzini does not disclose that this is done “in response to validating the electronic receipt”. Validation of the receipt would not typically be done by the user and Tognazzini does not suggest that the user performs this act. A credit card company would track the transactions, but it has no need to update an inventory record of the first item, as the credit card company is interested in the transaction, not in the inventory. Finally, the seller would have a reason to update the inventory record, but Tognazzini does not suggest that this is done “*in response to validating the*

electronic receipt". A seller will commonly validate a receipt that has come from an outside source, such as a user or vendor, but will not commonly validate a receipt that the seller themselves has produced seconds before. Tognazzini does not suggest that this patent is different from common practice in this regard. Therefore, the seller has no motivation to update the inventory record "*item in response to validating the electronic receipt*". It has been shown that none of the participants shown in Tognazzini would have both a reason and a motivation to utilize "*seventh instructions for updating an inventory record corresponding to said first item in response to validating the electronic receipt*". This recitation is not met or suggested by Tognazzini.

Therefore, the rejection of claims 27-28 under 35 U.S.C. § 103(a) has been overcome.

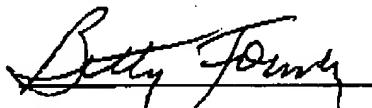
III. Conclusion

It is respectfully urged that the subject application is patentable over the cited references and is now in condition for allowance.

The examiner is invited to call the undersigned at the below-listed telephone number if in the opinion of the examiner such a telephone conference would expedite or aid the prosecution and examination of this application.

DATE: October 27, 2005

Respectfully submitted,



Betty Formby
Reg. No. 36,536
Yee & Associates, P.C.
P.O. Box 802333
Dallas, TX 75380
(972) 385-8777
Agent for Applicants